

INTREPID POTASH

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APR 07 2005
DIV. OF OIL, GAS & MINING

m/019/005
The Intrepid Companies
700 17th Street, Suite 1700
Denver, CO 80202
303.296.3006
303.298.7502 fax

April 5, 2005

Utah Division of Oil, Gas and Mining
Attn: Paul Baker, Mark Mesch and Daron Haddock
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Re: Intrepid Mining, LLC; Moab Salt, LLC

Dear Paul, Mark, and Daron,

The purposes of this letter are to present Intrepid Mining LLC's ("Intrepid") revised reclamation surety proposal to the Utah Division of Oil, Gas & Mining ("Division") and to begin the process of obtaining the Division's approval of that proposal.

By way of background, in November 2004 the Division adjusted Intrepid's current reclamation obligation at the Cane Creek Mine to \$6,266,800. Shortly after this adjustment, Intrepid submitted a letter and other documentation supporting a proposal to change the reclamation surety structure at the Cane Creek Mine. This submittal was followed by a January 6, 2005, meeting between Intrepid and the Division to discuss potential modifications to the reclamation surety structure at the Cane Creek Mine. The meeting was very productive and Intrepid appreciated the honest and creative discussion that took place.

As a follow-up to that meeting, the Division sent a letter to Intrepid on February 3, 2005 (with a January 11, 2005 internal memorandum attached) memorializing the Division's reaction to Intrepid's proposal and requesting additional information. As a result of the January meeting and the February letter, Intrepid provides this revised reclamation surety proposal and additional information.

Intrepid Reclamation Surety Proposal

Collateral:

Collateral in the form of land (approximately 2,700 acres) held in fee by Intrepid valued at approximately \$4.5 million; (Appraisal attached) and (2) a reclamation fund (comprised of securities in a professionally managed fund) currently valued at approximately \$2.2 million. (See attached summary of securities). With the combination of these assets, Intrepid would be providing 100% of the collateral for the reclamation.

Because the current reclamation bonds with third party providers (Lyndon Surety and Insurance Company and Cumberland Surety and Insurance Company) require collateral, Intrepid can provide the surety described above only if it is not required to maintain any of its current bonds. In other words, any continued bonding requirement for the reclamation obligation impairs Intrepid's ability to provide this surety for the Division.

The Division's Security in the Collateral:

It is imperative that the Division understands that the collateral agreement governing the fund (attached hereto) assures that a professional manager manages the fund and that Intrepid would not have any rights at any time to those funds unless approved by the Division. The Division would have control over the funds.

Annual Review:

Intrepid proposes a simple review of the reclamation surety every year. During that review, the Division would determine if the reclamation obligation was over or under collateralized based on inflationary adjustments to the current reclamation plan. Appropriate adjustments will be made by either party.

Use of Funds for Reclamation:

When the reclamation process begins, Intrepid would submit periodic documentation to the Division and the Division, upon its review of the documentation and approval of the funds spent, would order money released from the reclamation fund to reimburse Intrepid.

Regulatory Support for This Concept:

Utah law specifically contemplates the use of these types of surety. Utah Code Ann. Section 40-8-14(2)(e) states that the "form of surety that the operator may provide includes, but is not limited to, the following (i) *collateral*; (ii) a bond or other form of insured guarantee; (iii) *deposited securities*; or (iv) cash." The land included in this

Intrepid proposal certainly qualifies as "collateral" and the reclamation fund qualifies as either "collateral" or "deposited securities."

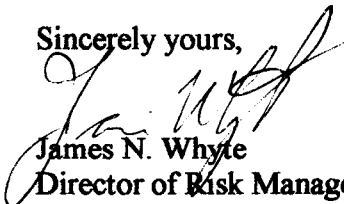
Given that Intrepid's revised proposal no longer contains a "self-bond" element, it is Intrepid's understanding that Board approval is no longer required. Utah's reclamation surety regulation, R647-4-113.4, states that the "form and amount of the surety must be approved by the *Division*, except as provided for by subpart 4.16" [which relates to self-bond agreements].

Conclusion:

Therefore, based on all of the applicable statutes and regulations, Intrepid respectfully requests that the Division review and approve Intrepid's revised reclamation surety proposal. Intrepid recognizes that the Division probably has several questions about this revised proposal before it can be approved. Intrepid welcomes the opportunity to discuss this proposal with the Division at the earliest convenient date. Please contact our counsel, Blaine Rawson, to arrange a meeting to discuss the revised proposal or to ask any questions about this letter.

We look forward to your favorable response.

Sincerely yours,



James N. Whyte
Director of Risk Management

Cc: Blaine Rawson
Holme, Roberts and Owen, LLP

Account Assets

Assets Profile Transactions Equity & Option Executions Transfers Customer ID Related Documents

Search Results

Reps Included: **All Reps**
 Closed Accounts: **Not Included**
 Today's Activity: **Not Included**

Account Name: (starts with) **intrep****RECEIVED****APR - 7 2005**

Select Account Class:

-- All Account Classes --

LPL Account Number:

Account Name: SSN/Tax ID:

intrep

☒ Existing
Accounts☒ Outgoing
Transfers☒ Incoming
Transfers

Search LPL



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Search Tips

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Benchmarks**DIV OF OIL GAS & MINING**

Reports & Graphs: -- Select a Report --

View: Assets

Account - Summary As Of 04/04/2005

Go To: -- Select an Activity --

Account:
 Account Class: SAM - Non-retirement
 SSN/Tax ID: 84-1531475
 Rep: (LK3A) STEVE BOOREN
 Home Phone: (303)324-1455
 Business Phone:
 Open Notifications: None
 B&R Status: Req
 Groups: LLC INTREPID (Client)

Account Registration:
 LYNDON PROPERTY INSURANCE CO
 FOR INTREPID MINING LLC
 COLLATERAL ACCOUNT
 14755 N OUTER FORTY ROAD 400
 ST LOUIS MO 63017

Total Account Value at LPL: 2,194,237.94
 Cash+Money Market: 556,591.23CR
 Funds Available: 556,473.77
 Accrued MM Dividend: 117.46
 Total Securities at LPL: 1,637,646.71
 Total Outside Investments: 0.00
 YTD Realized G/L: 51,780.30
 Previous Yr. Realized G/L: N/A

Account - Balances As Of 04/04/2005

Total Account Value at 2,194,237.94
 LPL:
 Cash and Equivalent Pct: 25.37%

Total Account Value Including Outside Investments: 2,194,237.94

Cash Account (Type 1)

Cash Balance: 0.00CR
 Money Market: 556,473.77
 Accrued Dividend: 117.46
 Funds Available: 556,473.77

Margin Account (Type 2)

Margin Balance: 0.00CR
 Cash A/c Type 2: 0.00
 Buying Power: 0.00
 Equity: 0.00
 Equity Percent: 0.00%
 Fed Call: 0.00
 Maint Call: 0.00
 MTD Debit Int: 0.00

Market Value of Securities

Long Value Type 1: 1,637,646.71
 Long Value Type 2: 0.00
 Short Value Type 6: 0.00
 Value of Securities at LPL: 1,637,646.71
 Skandia ASA Value: 0.00
 Total Networked MFs: 0.00
 Total Networked VAs: 0.00
 Total Networked VULs: 0.00
 Total Networked Alt. Inv.: 0.00
 Total Outside Investments: 0.00

Refer to the As of Dates screen for the effective dates of the values from LPL and the various mutual fund, variable product, and alternative investment companies.

Account - Positions As Of 04/04/2005

SecurityID	Description	AssetClass	Quantity	Price	MarketValue	PurchaseCost	GainLoss
	MONEY FUND MMP	CASH			556,473.77		
AC	ALLIANCE CAP MGMT HLDG LP	LV	1200.0000	47.2900	56,748.00	48,745.00	8,003.00
AREAX	ALLIANCEBERNSTEIN REAL ESTATE INVEST FD CL A	REIT	2565.0030	18.2300	46,760.00	50,141.31	-3,381.31
AVFIX	AMERICAN BEACON FUND SMALL CAP VALUE FUND INSTITUTIONAL CLASS	SV	2547.1220	19.7400	50,280.18	50,026.50	253.69
ASO	AMSOUTH BANCORPORATION	LV	2500.0000	25.7700	64,425.00	51,594.89	12,830.11
AIZ	ASSURANT INC	LV	2000.0000	33.0000	66,000.00	51,871.32	14,128.68
DODFX	DODGE & COX INTL STOCK	LF	3251.2070	30.9100	100,494.80	100,053.00	441.81

Account Assets

FUND								
FHN	FIRST HORIZON NATIONAL CORP	LV	2100.0000	40.1900	84,399.00	97,809.34	-13,410.34	
GE	GENERAL ELECTRIC COMPANY	LV	2300.0000	35.2400	81,052.00	72,844.49	8,207.51	
GBM	GENERAL MOTORS CORP PFD	C	2000.0000	18.5000	37,000.00	54,515.04	-17,515.04	
	SR DEB CONVERTIBLE SERIES B 5.25%							
GKM	GENERAL MOTORS ACCEPTANCE CORP 7.25% PFD	ITB	2000.0000	20.9800	41,960.00	50,300.00	-8,340.00	
36202BGR0	GOVT NATL MTG ASSN II POOL #001108 CPN 11.000% DUE 12/20/18 DTD 12/01/88 Factor= 0.00663944	ILB	50000.0000	110.4800	366.76	341.36	25.40	
36202BHR9	GOVT NATL MTG ASSN II POOL #001140 CPN 11.000% DUE 02/20/19 DTD 02/01/89 Factor= 0.00678163	ILB	105000.0000	110.5500	787.19	731.01	56.18	
36202BKR5	GOVT NATL MTG ASSN II POOL #001204 CPN 11.000% DUE 06/20/19 DTD 06/01/89 Factor= 0.00240435	ILB	205000.0000	110.5500	544.89	506.34	38.55	
36202BLU7	GOVT NATL MTG ASSN II POOL #001239 CPN 11.000% DUE 08/20/19 DTD 08/01/89 Factor= 0.00511751	ILB	130000.0000	110.5500	735.46	682.90	52.56	
36202BRV9	GOVT NATL MTG ASSN II POOL #001400 CPN 10.000% DUE 05/20/20 DTD 05/01/90 Factor= 0.00115448	ILB	100000.0000	112.0820	129.37	117.28	12.09	
362065UV4	GOVT NATL MTG ASSN POOL #035696 CPN 11.000% DUE 12/15/09 DTD 12/01/79 Factor= 0.00530287	SIB	60000.0000	108.6630	345.73	327.01	18.73	
362065Z64	GOVT NATL MTG ASSN POOL #035865 CPN 11.000% DUE 12/15/09 DTD 12/01/79 Factor= 0.01048974	SIB	95000.0000	108.6630	1,082.85	1,022.63	60.22	
362068LS9	GOVT NATL MTG ASSN POOL #036337 CPN 11.000% DUE 12/15/09 DTD 01/01/80 Factor= 0.00779641	SIB	50000.0000	108.6630	423.59	400.77	22.82	
362066QL9	GOVT NATL MTG ASSN POOL #036459 CPN 11.000% DUE 12/15/09 DTD 12/01/79 Factor= 0.01586093	SIB	100000.0000	108.6630	1,723.49	1,628.12	95.38	
3620663W0	GOVT NATL MTG ASSN POOL #036813 CPN 11.000% DUE 12/15/09 DTD 12/01/79 Factor= 0.00927504	SIB	200000.0000	108.6630	2,015.70	1,903.60	112.11	
362067AW0	GOVT NATL MTG ASSN POOL #036921 CPN 11.000% DUE 12/15/09 DTD 12/01/79 Factor= 0.02480157	SIB	50000.0000	108.6630	1,336.64	1,262.42	74.22	
362067CC2	GOVT NATL MTG ASSN POOL #036967 CPN 11.000% DUE 12/15/09 DTD 12/01/79 Factor= 0.00710265	SIB	100000.0000	108.6630	771.79	730.29	41.51	
362067TB6	GOVT NATL MTG ASSN	SIB	40000.0000	109.3880	654.14	614.03	40.12	

Account Assets

SecurityID	Description	AssetClass	Quantity	Price	MarketValue	PurchaseCost	GainLoss
POOL #037446 CPN 11.000% DUE 08/15/10 DTD 08/01/80 Factor= 0.01495017							
362067U99	GOVT NATL MTG ASSN	SIB	60000.0000	109.3880	1,276.98	1,197.97	79.02
POOL #037508 CPN 11.000% DUE 02/15/10 DTD 03/01/80 Factor= 0.01945651							
362068JC3	GOVT NATL MTG ASSN	SIB	60000.0000	109.3880	458.24	430.55	27.69
POOL #038059 CPN 11.000% DUE 01/15/10 DTD 01/01/80 Factor= 0.00698188							
362068LW6	GOVT NATL MTG ASSN	SIB	25000.0000	109.3880	406.28	383.96	22.32
POOL #038141 CPN 11.000% DUE 01/15/10 DTD 01/01/80 Factor= 0.01485680							
362068NF1	GOVT NATL MTG ASSN	SIB	25000.0000	108.6630	636.43	602.21	34.23
POOL #038190 CPN 11.000% DUE 12/15/09 DTD 12/01/79 Factor= 0.02342799							
362068PV4	GOVT NATL MTG ASSN	SIB	100000.0000	108.6630	606.87	573.51	33.37
POOL #038236 CPN 11.000% DUE 12/15/09 DTD 12/01/79 Factor= 0.00558493							
362068RM2	GOVT NATL MTG ASSN	SIB	200000.0000	109.3880	3,256.13	3,053.48	202.66
POOL #038292 CPN 11.000% DUE 01/15/10 DTD 02/01/80 Factor= 0.01488342							
362068TC2	GOVT NATL MTG ASSN	SIB	115000.0000	109.3880	679.04	638.02	41.02
POOL #038347 CPN 11.000% DUE 01/15/10 DTD 02/01/80 Factor= 0.00539797							
362068UH9	GOVT NATL MTG ASSN	SIB	100000.0000	109.3880	644.30	605.03	39.28
POOL #038384 CPN 11.000% DUE 03/15/10 DTD 03/01/80 Factor= 0.00589009							
362068XM5	GOVT NATL MTG ASSN	SIB	95000.0000	109.3880	387.23	363.55	23.68
POOL #038484 CPN 11.000% DUE 03/15/10 DTD 03/01/80 Factor= 0.00372629							
362068XU7	GOVT NATL MTG ASSN	SIB	30000.0000	108.9650	252.11	235.91	16.21
POOL #038491 CPN 10.750% DUE 03/15/10 DTD 03/01/80 Factor= 0.00771255							
362068YT9	GOVT NATL MTG ASSN	SIB	35000.0000	109.3880	246.51	231.77	14.74
POOL #038522 CPN 11.000% DUE 02/15/10 DTD 02/01/80 Factor= 0.00643888							
362068Y36	GOVT NATL MTG ASSN	SIB	155000.0000	109.3880	388.05	364.33	23.73
POOL #038530 CPN 11.000% DUE 01/15/10 DTD 02/01/80 Factor= 0.00228873							
362102TL9	GOVT NATL MTG ASSN	SIB	31,0000.0000	111.4740	2,132.23	1,949.11	183.13
POOL #068955 CPN 10.500% DUE 08/15/13 DTD 08/01/83 Factor= 0.00617022							
3621286Q8	GOVT NATL MTG ASSN	SIB	60000.0000	109.0170	1,333.72	1,255.34	78.39
POOL #091779 CPN 11.000% DUE 03/15/10							

Account Assets

	DTD 03/01/80 Factor= 0.02039019						
362132BJ0	GOVT NATL MTG ASSN POOL #093641 CPN 11.000% DUE 09/15/10 DTD 12/01/80 Factor= 0.01158437	SIB	75000.0000	109.0170	947.16	892.37	54.80
3621456L3	GOVT NATL MTG ASSN POOL #125175 CPN 11.000% DUE 09/15/15 DTD 09/01/85 Factor= 0.07309457	ILB	25000.0000	110.5440	2,020.04	1,930.61	89.43
36203BWD2	GOVT NATL MTG ASSN POOL #344544 CPN 6.000% DUE 11/15/23 DTD 11/01/93 Factor= 0.15332783	ILB	50000.0000	102.9640	7,893.62	7,639.55	254.07
36203HC33	GOVT NATL MTG ASSN POOL #349390 CPN 7.000% DUE 06/15/23 DTD 06/01/93 Factor= 0.07267597	ILB	40000.0000	106.0970	3,084.28	2,995.12	89.16
36203LA77	GOVT NATL MTG ASSN POOL #352030 CPN 6.500% DUE 11/15/23 DTD 11/01/93 Factor= 0.07262052	ILB	45000.0000	104.6910	3,421.22	3,305.50	115.72
36203LBX9	GOVT NATL MTG ASSN POOL #352054 CPN 6.500% DUE 10/15/23 DTD 10/01/93 Factor= 0.07355948	ILB	35000.0000	104.6810	2,695.35	2,613.97	81.39
36203TDU6	GOVT NATL MTG ASSN POOL #358415 CPN 6.000% DUE 09/15/23 DTD 09/01/93 Factor= 0.06137833	ILB	26483.0000	102.9640	1,673.68	1,625.18	48.51
36204EN78	GOVT NATL MTG ASSN POOL #367714 CPN 6.500% DUE 09/15/23 DTD 09/01/93 Factor= 0.05771394	ILB	50000.0000	104.6910	3,021.06	2,997.95	23.12
36204EVR5	GOVT NATL MTG ASSN POOL #367924 CPN 6.000% DUE 10/15/23 DTD 10/01/93 Factor= 0.14150518	ILB	25000.0000	102.9640	3,642.48	3,521.00	121.48
36204GHY1	GOVT NATL MTG ASSN POOL #369347 CPN 7.000% DUE 10/15/23 DTD 10/01/93 Factor= 0.04417601	ILB	40000.0000	106.0970	1,874.77	1,820.58	54.20
36204NBV8	GOVT NATL MTG ASSN POOL #374552 CPN 6.000% DUE 01/15/24 DTD 01/01/94 Factor= 0.16329634	ILB	50000.0000	102.8180	8,394.90	8,135.42	259.48
36204TLJ1	GOVT NATL MTG ASSN POOL #379329 CPN 7.000% DUE 04/15/24 DTD 05/01/94 Factor= 0.17221753	ILB	62727.0000	106.0250	11,453.55	11,249.92	203.63
36204UC25	GOVT NATL MTG ASSN POOL #379989 CPN 7.500% DUE 03/15/24 DTD 03/01/94 Factor= 0.09530015	ILB	128000.0000	107.5970	13,125.13	12,657.07	468.06
36204YSM6	GOVT NATL MTG ASSN POOL #384024 CPN 7.000% DUE 04/15/24 DTD 04/01/94 Factor= 0.05253879	ILB	65000.0000	106.0250	3,620.77	3,535.23	85.55

SecurityID	Description	AssetClass	Quantity	Price	MarketValue	PurchaseCost	GainLoss
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Account Assets

36207ARW	GOVT NATL MTG ASSN POOL #426301 CPN 6.000% DUE 03/15/26 DTD 03/01/96 Factor= 0.18737067	ILB	25487.0000	102.5630	4,897.91	4,774.08	123.83
36213EWW	GOVT NATL MTG ASSN POOL #552460 CPN 6.000% DUE 03/15/32 DTD 03/01/02 Factor= 0.31363934	ILB	75000.0000	102.2140	24,043.74	24,670.87	-627.12
36200RXS	GOVT NATL MTG ASSN POOL #570489 CPN 6.000% DUE 12/15/31 DTD 12/01/01 Factor= 0.27989339	ILB	77619.0000	102.2560	22,215.16	22,785.22	-570.08
36225AKZ	GOVT NATL MTG ASSN POOL #780312 CPN 6.000% DUE 01/15/26 DTD 01/01/96 Factor= 0.17355048	ILB	82362.0000	102.5630	14,680.31	14,223.92	436.40
GFAFX	GROWTH FUND AMER INC CL F	LG	1891.7900	26.6900	50,491.87	50,013.00	478.88
HON	HONEYWELL INTL INC	LV	2000.0000	36.8400	73,680.00	73,926.36	-246.36
INTC	INTEL CORP	LV	2000.0000	22.9300	45,860.00	61,281.14	-15,421.14
IFF	INTL FLAVOR & FRAGRANCES	LG	2000.0000	40.2100	80,420.00	82,566.26	-2,146.26
KSRAX	KENSINGTON STRATEGIC RLTY FD CL A	REIT	2106.5190	46.6200	98,205.91	101,240.89	-3,034.97
MXIX	MARSICO INVT 21ST CENTURY FD	LG	4397.5370	11.1200	48,900.61	50,013.00	-1,112.39
MSUSX	MORGAN STANLEY INSTL FD INC U S REAL ESTATE PORTFOLIO CL A	REIT	2206.5310	21.7000	47,881.72	50,026.50	-2,144.78
NAIGX	NUVEEN INVT TR II NUVEEN NWQ INTL VALUE FD CL A	LF	4039.0370	24.9900	100,935.53	100,026.00	909.53
RYN	RAYONIER INC	SV	1000.0000	49.6200	49,620.00	49,545.00	75.00
RSP	RYDEX ETF TR S&P 500 EQUAL WEIGHTED INDEX FD	LG	325.0000	151.6000	49,270.00	50,617.75	-1,347.75
KDSAX	SCUDDER VALUE SER INC DREMAN SMALL CAP VALUE FD CL A	SV	1586.2220	32.2800	51,203.24	50,453.61	749.64
SSS	SOVRAN SELF STORAGE INC	SV	1400.0000	39.9300	55,902.00	55,954.00	-52.00
UTX	UNITED TECHNOLOGIES CORP	LV	1000.0000	99.8500	99,850.00	76,431.94	23,418.06

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APR - 7 2005

DIV OF OIL GAS & MINING

COLLATERAL ACCOUNT CONTROL AGREEMENT

Agreement made this ____ day of August, 2004 between Lyndon Property Insurance Company, located at 14755 North Outer Forty Road, Suite 400, St. Louis, MO 63017 ("Creditor"), Intrepid Mining, LLC located at 700 17th Street, Suite 1700, Denver, CO 80202 ("Client") and Linsco Private Ledger, 9785 Towne Centre Drive, San Diego, CA 92121 ("Broker").

WHEREAS, Client has established a securities Account with Capital Consulting, Inc. with respect to which transactions are cleared by Broker, Account Number _____ ("Account");

WHEREAS, Client has granted Creditor a security interest in the Account, pursuant to a separate Security Agreement between Client and Creditor; and

WHEREAS, Creditor has requested the parties to enter into this Agreement in order to provide for the control of the Account and to perfect the security interest provided by Client to Creditor.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. The Account.

The Account shall be maintained as a cash securities Account and will be titled Lyndon Property Insurance Company Collateral Account FBO Intrepid Mining, LLC. Client represents and warrants to Creditor and Broker that it has not granted a security interest in the Account to any party other than Creditor, except for Broker's lien discussed in Section 2 below. Broker acknowledges, to the best of its knowledge, that no person or entity other than Client, Creditor and Broker have any claim, lien or interest in the Account or any assets in the Account.

Section 2. Priority of Lien.

So long as this Agreement is in effect, Broker hereby waives and releases all liens, encumbrances, claims and rights of setoff it may have, now or in the future, against the Account or financial asset carried in the Account, except for payment of Broker's customary fees and commissions pursuant to its customer Agreement with Client, and to secure payment for or complete any open transactions entered into for the Account.

Section 3. Client's Authority Over the Account.

Unless and until Creditor shall deliver a Notice of Exclusive Control to Broker in accordance with Section 4 below, Client will have full authority in Client's sole discretion to give instructions with respect to: assets in the Account in regard to voting and other rights; give trading instructions to buy, sell, exchange, tender, hold and

PRELIMINARY

otherwise deal in securities of any kind and description in the Account, and to invest and reinvest the proceeds of any such transactions. Broker shall have the right to accept investment instructions with respect to the Account from Client without regard to the Creditor's security interest in the account and shall have no obligation to confirm any such instructions with the Creditor. Broker agrees that it shall not permit withdrawals of any cash, securities, or other property in the Account, except upon receipt of prior written notice from the Creditor. Client shall be responsible for submitting a request to Creditor to provide such written notice to Broker. Client agrees that Broker shall not be liable to Client for any refusal by Creditor to permit any such withdrawal except upon receipt of such prior written notice from Creditor.

Section 4. Notice of Exclusive Control.

Creditor may at any time deliver to Broker a written notice that Creditor is exercising exclusive control over the account, hereinafter referred to as the "Notice of Exclusive Control." After Broker receives the Notice of Exclusive Control, it shall immediately cease complying with trading instructions or other directions concerning the Account, received from or on behalf of Client.

Section 5. Statements and Confirmations.

Broker will send Creditor duplicate copies of statements and confirmations sent by Broker to Client.

Section 6. Responsibility and Protection of Broker.

Broker will have no responsibility or liability to Creditor for making trades in the Account at the direction of Client or complying with instructions from Client that are received by Broker before Broker receives a Notice of Exclusive Control in accordance with Section 4 above. Broker shall not be liable to Client for complying with a Notice of Exclusive Control or any instructions received from any individual Broker reasonably believed to represent Creditor. Broker has no duty or responsibility to investigate whether Creditor is authorized under the separate Security Agreement between Client and Creditor to give such Notice of Exclusive control or any such instructions.

Client and Creditor jointly and severally agree to indemnify and hold harmless Broker, its affiliates, officers, directors, employees and agents against any claims, liabilities, and expenses arising out of this Agreement (including reasonable attorneys' fees and disbursements), except to the extent the claims, liabilities or expenses are caused by Broker's gross negligence or willful misconduct.

This Agreement does not create any obligation of Broker except those expressly set forth in this Agreement.

PRELIMINARY

Section 7. Customer Agreement.

This Agreement supplements the applicable Customer Account Agreement between Broker and Client with respect to the Account. In the event of a conflict between this Agreement and such Agreement between Broker and Client, this Agreement will control.

Section 8. Termination.

Creditor may terminate this Agreement by written notice to Broker. Broker may terminate this Agreement on 30 days written notice to Creditor and Client. Upon notification by Creditor to Broker that Creditor's security interest in the Account has terminated, this Agreement will automatically terminate, except that Creditor's and Client's obligations under Section 6 will survive the termination of this Agreement.

Section 9. Governing Law.

The laws of the State of New York shall govern this Agreement without giving affect to conflict of laws principles.

Section 10. Amendments.

No amendment of, or waiver of any right under this Agreement shall be binding on any party hereto unless it is in writing and signed by the party to be charged.

Section 11. Severability.

If any term or provision set forth in this Agreement shall be invalid or unenforceable, the remainder of this Agreement or the application of such terms or provisions to persons or circumstances, other than those to which it is held invalid or unenforceable, shall be construed in all respects as if such invalid or unenforceable term or provision were omitted.

Section 12. Successors and Assigns.

The terms of this Agreement shall be binding upon, and shall inure to the benefit of the parties and their respectful successors and assigns.

Section 13. Notices.

Any notice, request or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given when delivered in person, sent by registered or certified mail, return receipt requested (effective at time of postmark), or when sent by telecopy or other electronic means and electronic confirmation error free receipt is received addressed to the party at the address set forth next to such party's name below:

PRELIMINARY

Client:

Robert P. Jornayvaz, III
Intrepid Mining, LLC
700 17th Street, Suite 1700
Denver, CO 80202

Creditor:

Christine L. Nickelson
Lyndon Property Insurance Company
14755 North Outer Forty Road, Suite 400
St. Louis, MO 63017

Broker:

Linsco Private Ledger
9785 Towne Centre Drive
San Diego, CA 92121

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the date first written above.

Client

By: _____

Title: _____

Creditor

By: _____

Title: _____

Broker

By: _____

Title: _____